



**Sussex Rural Community Council**

**(Limited by Guarantee)**

**Company number 02907172**

**Charity number 1035401**

**Report and Financial Statements**

**for the year ended 31 March 2023**

Knill James LLP, Chartered Accountants  
One Bell Lane, Lewes  
East Sussex BN7 1JU

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

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## **Sussex Rural Community Council**

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### **Trustees' Report for year to 31 March 2023**

After four years as its chair, Alex Ingham Clark is standing down at this year's Annual General Meeting and he will step down as a trustee with effect from 31 December 2023 in accordance with the recommendations of the Charities Commission. Will Anderson, who joined Airs as a Trustee in August 2018 has been appointed as the new Chair.

#### **1. Introduction**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### **2. Charitable objects**

The charity's objects are to promote any charitable purposes for the benefit of the community of the counties of East and West Sussex; in particular to promote and organise partnership working to achieve the advancement of education, the protection of health, relief of poverty, distress and sickness, by bringing together representatives of the statutory authorities, voluntary organisations and other bodies and any interested persons. We set out our strategic aims and activities in more detail later in this report.

#### **3. Structure, governance and management**

##### **Legal and administrative details**

Sussex Rural Community Council (SRCC) is a company limited by guarantee and registered in England and Wales, company number 02907172, incorporated under the Companies Acts. SRCC is a registered charity number 1035401.

The governing body is the Board of Trustees. The governing document is the Articles of Association.

##### **Operating Name**

Sussex Rural Community Council has operated during the year under the operating name "Action in rural Sussex" (AirS), which will be used in this Trustees' Report as the identity by which the charity is most commonly known.

##### **Directors and Trustees**

The directors of SRCC are also its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year end have been:

Alex Ingham Clark      Chair

William Anderson

Colin Brown              Appointed 17 January 2023

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Rob Dillingham	Resigned 1 June 2023
Owen Ingram	Appointed 17 November 2022
John Moore-Bick	
Kristin Sjovorr	Appointed 17 November 2022

**President**

Susan Pyper, Lord Lieutenant of West Sussex

**Chief Executive Officer; day to day management**

Steven Haasz, Chief Executive Officer to 30 September 2023;

Tom Warder, Interim Chief Executive Officer from 1 October 2023

**Independent Examiners and Auditors**

Knill James LLP, One Bell Lane, Lewes, East Sussex, BN7 1JU

**Bankers**

Barclays Bank plc, The Old Bank, High Street, Lewes, East Sussex BN7 2JP;

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ;

Shawbrook Bank Ltd, Lutea House, Warley Hill Business Park, Brentwood, Essex CM13 3BE;

The Charity Bank Ltd, Fosse House, 182 High Street, Tonbridge TN9 1BE;

Nationwide Building Society, Kings Park Road, Moulton Park, Northampton NN3 6NW.

**Registered office and operational address**

16 Market Street, Lewes, West Sussex BN7 2NB.

**4. Appointment and Recruitment of Trustees**

The trustees are elected by the members of the charity at the Annual General Meeting (AGM). Any remaining vacancies not filled at the AGM may be filled by co-option on the initiative of the trustees.

New trustees are briefed on their legal obligations under charity and company law, the committee and decision-making processes, the business plan and recent financial performance of the charity.

**5. Trustees and their responsibilities**

The trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.

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- observe the methods and principles in the Charity Statement of Recommended Practice.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts comply with current statutory requirements and with the requirements of the governing document.

## **6. Financial review**

### **Funding**

AirS draws its funding from a variety of sources, but continues to be largely dependent on statutory sector funding. We are very grateful to all of our funders but particularly:

Those District Councils in West and East Sussex that provide funding for our housing services;

East Sussex County Council for their support of the Making It Happen project where AirS works as a partner with Sussex Community Development Association, Hastings Voluntary Action, Rother Voluntary Action and 3VA;

The National Lottery for their support of the Lost Woods consortium where AirS works as partner with The Woodland Trust, Sussex Wildlife Trust and The Small Woodland Association;

DEFRA for their ongoing annual grant in support of AirS through our national body, ACRE (Action with Communities in Rural England).

The past few years have seen significant challenges arising from inflation and rising costs of energy, food and even building materials so has seen considerable pressure on our projects and on the communities we serve. Charities like Airs will need to work extremely closely with local authorities, funders and coordinating bodies to ensure that we remain connected and aligned to their priorities and that we remain nimble and able to change course according to the headwinds that we face.

### **Restricted Funds**

The detail of the restricted fund activity is set out in Note 16 of the financial statements. Where individual projects show a deficit on completion or termination, this has been made good from unrestricted funds. Restricted funds at the year end amounted to £46,246.

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#### **Unrestricted Funds**

The total unrestricted funds are set out in Note 15 of the financial statements amounted to £1,540,793. Of this total the Trustees have designated that £1,208,000 is held for specific purposes.

#### **Reserves policy**

The Board of Trustees has developed this reserves policy to cover the ongoing employee commitments, ensure business continuity and allow for its investment in developing sustainable income streams, contingent liabilities, working capital requirements and to take account of its annual risk review. The free reserve is maintained primarily in case Action in rural Sussex suffers a sudden and unforeseen contraction of activities.

This is mitigated through full cost recovery budgeting, accurate forecasting, advantageous contract negotiation where possible and careful treasury management. Any remaining free reserves not required under the reserves policy are available to develop the work of the charity, to meet its charitable objectives and to fulfil any latent contractual obligations entered by the charity as part of its primary purpose trading.

The Board of Trustees confirms that each restricted fund has sufficient assets to meet its obligations, or arrangements exist with the funders that these obligations will be met at the point at which the requirement arises. Trustees will annually review the reserves policy in the light of a continuing shift in funding profile, and the linked investment in strategic and business development.

#### **Subsidiary Company**

The company owns all the issued share capital in SRCC (Trading) Limited. This company did not trade during the year and since the year end has been dissolved.

#### **Restatement of 2022 Financial Results**

In reviewing the result for the year to 31 March 2023, errors were discovered in the way Accrued Income and Deferred Income had been analysed in the previous year's accounts. As a result, we have had to restate the results for the year to 31 March 2022, for which the loss was understated by some £108,000. An internal review was prepared, explaining how the errors arose, and a copy of the review was forwarded to the Independent Examiner who had originally reported on the accounts, for their comment. No comments on the review have been received from the former Independent Examiner who resigned from that position a week later.

The Trustees have now appointed Knill James, Chartered Accountants of Lewes, East Sussex, to review the restated accounts to 31 March 2022 as Independent Examiner, and were appointed by the Trustees to act as auditor for the financial statements for the year to 31 March 2023.

The members of the company will be invited to approve both the restated accounts for the year to 31 March 2022 as well as the audited accounts to 31 March 2023 at the Annual General Meeting.

The Trustees will then inform both the Registrar of Companies and the Charities Commission of the circumstances of the restated accounts.

#### **Review of the results for the Year to 31 March 2023**

The financial statements for the year to 31 March 2023 show a deficiency of £30,703 (2022 deficiency £161,700) on income of £413,375 (2022 £452,231).

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This year saw a determined effort to reduce the costs of the charity, principally by review and reduction of our payroll costs, which dropped from £485,334 for 2022 to £348,473 for 2023. This was accompanied by a review of all our ongoing costs, and included the move to new and less expensive offices in Lewes.

#### **7. Our Staff**

Steven Haasz was appointed as interim CEO in December 2021. Since then, Steven has worked closely with the Board and with the team at AirS to rationalise the organisation, to build operational and financial stability, to develop the capability of key staff members, to overhaul our policies and processes and to manage the organisation day to day. We have been very pleased with the progress made by AirS in that time in terms of our delivery and impact, our financial impact and our overall effectiveness as a Charity. After 2 years as CEO and having delivered the key elements of our turnaround plan, Steven has stepped down as CEO with effect from 1 October 2023. The board would like to record their wholehearted appreciation and thanks for the energy and support that he has given to the charity.

We will shortly be starting the search for a new CEO. Meanwhile, since 1 October 2023 our Deputy CEO Tom Warder has stepped into the interim CEO role.

As always, none of the work we do can be achieved without staff dedicated to the charity and its objectives. We know how hard our staff have worked to continue the important work they do in their communities despite the challenges of engagement in recent times, and wish to thank them all again for the great effort they have all shown during this time.

#### **8. Operational Review for year ended 31 March 2023**

##### **Housing and Planning**

The Sussex Community Housing Hub has continued to support a pipeline of some 25 community led housing groups and projects throughout this time.

We have seen the first Community Land Trust (CLT) scheme to be completed in August 2022 when Icklesham CLT became the first in East Sussex for a new build of 15 affordable homes on a rural exception site, which ensures these will remain affordable and for local people in perpetuity.

Ringmer CLT also started on site whilst CLTs at Herstmonceux, Bexhill and Arundel all secured planning. Together these are expected to provide 57 affordable homes.

New CLT groups and projects have been established in Pett, Guestling and Rye.

Despite this steady progress, many projects have faced significant challenges in terms of build costs and interest rates in the current economic climate. Meanwhile the Hub has played a leading role in mobilising political support across Sussex for the community led housing sector and renewal of a national Community Housing Fund.

West Wittering, Ninfield and Uckfield parishes concluded their Neighbourhood Plans during the year. The AirS community led planning team also produced the first Neighbourhood Priority Statement alongside Hassocks Parish Council. Neighbourhood or Parish Priority Statements are seen as an excellent lighter touch alternative for rural communities; a mini Parish or Neighbourhood Plan.

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We have also begun to explore the scope to support nature led community led planning processes, including greenspace management plans, climate action plans and community resilience plans.

#### **Village Hall Service**

Our Village Halls Service is valued across both East and West Sussex with subscribers to the scheme growing to 160 during this period.

Training courses have been attended by 83 people on a variety of subjects relevant to all village halls, from incorporation to governance and risk assessments. We are looking to expand the training opportunities in future years.

We held two Village Hall Conferences in the year:

- May 2022 Lodsworth Village Hall, West Sussex;
- October 2022 Wadhurst Commemoration Hall, East Sussex.

There were over 40 attendees for each conference. Topics covered funding, energy saving measures and insurance; and included speakers showing how Parish Councils can help Village Halls across a number of areas with a variety of speakers from: East Sussex Association of Local Councils, Community Energy South and Allied & Westminster Insurance.

Consultancy assignments were completed with Harting and Oving parishes.

The service built closer links with Parish Councils who have engaged in trustees training and Village Hall and Playing Fields workshops.

We assisted 13 halls with applying for and obtaining funding from the Platinum Jubilee Village Hall Fund.

#### **Community Based Services**

Our two major projects that progressed during the year were the Making it Happen (MiH) project in the Wealden district of East Sussex and the Lost Woods environmental project, based largely in West Sussex.

MiH is a five-year Asset-based community development project funded by East Sussex County Council public health and delivered by five partners across the county. The project ends in March 2025 and AirS delivers the project in Wealden, focusing on the hub towns of Crowborough, Hailsham, Polegate and Uckfield.

AirS currently has a team of 3 working on the project, and after a number of changes in the first part of the year, have been working well together to support communities in an asset-based way.

The MiH project was designed as a learning opportunity and so there has been a strong focus on the evaluation and learning aspects of the project. This has offered AirS the opportunity to also learn and use some of the emerging tools for its own development.

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MiH offers grants of various sizes during the course of the work and the AirS team has given out or supported 23 grants during the year under review.

Themes have emerged around green spaces, biodiversity and wellbeing; cost of living and energy; food security and mental health. This is reflected in the projects supported, including Polegate nature reserve, Selby Meadow, and the Crowborough wildlife group; the Warm spaces collaboration in Uckfield that evolved into the Warm Welcome Café; the community allotment in Hailsham and community orchard in Crowborough; the Calamity Crafting and Kinship groups in Hailsham.

Focus is beginning to turn towards the end of the project and its legacy, as well as what might be next for the five project partners. This is a conversation that is both external and internal and will become more dominant throughout this year. The AirS team have identified that, as MiH is based in the hub towns we are currently not supporting the rural villages. We would like to find a way of addressing this going forward.

The second major community development project is The Lost Woods of the Low Weald and Downs, which is a partnership between AirS and conservation and environmental charities The Woodland Trust, Sussex Wildlife Trust and the Small Woods Association with the aim of protecting, restoring and reconnecting Sussex's precious ancient woodland in an unprotected area between Storrington and Lewes. AirS leads the role of engaging and supporting communities, particularly those who are often underserved, to visit, learn about, benefit from and protect their local woodlands.

The 18-month development stage of this project was funded by the National Heritage Lottery Fund; it began in July 2020 during which the team worked with and consulted communities to develop and test ideas, ultimately creating a 5 year delivery plan. The bid for part funding for a further 5 years to deliver the project was submitted to the National Lottery Heritage Fund in May 2022. In September 2022 the Lost Woods partnership were awarded £1.9 million towards the £2.6million, 5 years project, of which AirS were awarded £712,000 towards their £809,000 target. In December recruitment for a new team began, with interviews held in February 2023.

The team for this project requires five members, with diverse experience and skills across the spectrum of the project. By the end of March 2023 three places were filled; the team has now reached its full strength. Since the end of the period under review the project has moved forward strongly and activities include supporting Scaynes Hill Sustainability group to run a Family Nature trail and Dawn chorus walk in their local wood; running a pilot woodland well-being and play activity with Burgess Hill Young carers; and pilot conservation activities with Plumpton College and BeOK, a mental health support group run by Brighton and Hove Housing trust in Haywards Heath.

The breadth and depth of these operations show how well we are embedded into the rural communities of East and West Sussex. We continue to seek solutions for those rural communities.


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### **9. Small Company Exemptions**

This report is prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on *8 December 2023*, and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'A. Ingham Clark', written over a horizontal dashed line.

Alex Ingham Clark, Chair

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#### **Auditors' Report to the Trustees**

##### **Opinion**

We have audited the financial statements of Sussex Rural Community Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the accounts* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

##### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework

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- that the company operates in and how the company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Filsell FCA (Senior Statutory Auditor)**

**for and on behalf of Knill James LLP**

**Chartered Accountants**

**Statutory Auditor**

**11 December 2023**  
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One Bell Lane

Lewes

East Sussex BN7 1JU

Knill James LLP is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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## Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
<b>Income and endowments from:</b>	<b>2</b>				
Donations and legacies	Page 15	62,498	-	62,498	55,822
Charitable activities:					
Operational programmes	Page 15	257,050	68,968	326,018	388,064
Investments	<b>3</b>	<u>24,861</u>	<u>-</u>	<u>24,861</u>	<u>8,345</u>
<b>Total</b>		<u>344,409</u>	<u>68,968</u>	<u>413,377</u>	<u>452,231</u>
Expenditure on charitable activities:					
Operational programmes	Page 16	<u>387,522</u>	<u>56,556</u>	<u>444,078</u>	<u>613,931</u>
<b>Net income ( expenditure)</b>					
<b>other recognised gains/ (losses)</b>	<b>4</b>	(43,113)	12,412	(30,701)	(161,700)
<b>Other recognised gains and losses:</b>					
Actuarial valuation gains/ (losses)	<b>19</b>	203	-	203	1,108
<b>Net movement in funds</b>		<u>(42,910)</u>	<u>12,412</u>	<u>(30,498)</u>	<u>(160,592)</u>
Reconciliation of funds:					
Total funds brought forward		<u>1,583,706</u>	<u>33,834</u>	<u>1,617,540</u>	<u>1,778,132</u>
Total funds carried forward	<b>15,16</b>	<u>1,540,796</u>	<u>46,246</u>	<u>1,587,042</u>	<u>1,617,540</u>

The notes on pages 20 to 31 form an integral part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

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Year ended 31 March 2023

	2023 £	2022 £
<b>Income from donations and legacies</b>		
<b>Grants</b>		
Action with Communities in Rural England (ACRE)	47,395	47,395
<b>Donations</b>		
Donations	<u>15,103</u>	<u>8,427</u>
	<u>62,498</u>	<u>55,822</u>
<b>Income from Charitable Activities</b>		
<b>Income from operational programmes</b>		
Housing Hub Fees	113,314	122,929
Village Hall consultancy/Subscription	29,750	25,787
Sussex Community Development Assoc.	97,729	72,498
Neighbourhood Planning	16,257	24,238
Other Income	<u>-</u>	<u>1,356</u>
	<u>257,050</u>	<u>246,808</u>
<b>Project specific funding</b>		
<b>Grants/Donations</b>		
Local & Regional Government	7,175	13,226
Community Led Homes Funding	-	14,635
Lost Woods Grants	61,793	109,395
ACRE – Safeguarding	-	1,000
Funding for Interns	<u>-</u>	<u>3,000</u>
	<u>68,968</u>	<u>141,256</u>
<b>Total Income from donations and legacies</b>	<u>388,514</u>	<u>443,886</u>

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Year ended 31 March 2023

	2023 £	2022 £
<b>Expenditure on charitable activities</b>		
<b>Operational programmes</b>		
Information technology	1,233	5,939
Events	2,388	3,060
Print post stationery	1,745	2,913
Consultancy	11,136	12,187
Marketing and publicity	3,440	1,022
Small equipment	17	618
Communications	172	1,050
Travel	6,862	4,407
Salaries/social security/pension	<u>29,563</u>	<u>79,202</u>
	<u>56,556</u>	<u>110,398</u>
<b>Support and governance costs</b>		
<b>Office overheads</b>		
Rent	16,517	18,444
Power and light	7,306	2,258
Communications	4,434	3,942
Insurance	1,815	2,112
Information technology	4,620	10,170
Repairs and maintenance	527	2,291
Depreciation	<u>217</u>	<u>455</u>
	<u>35,436</u>	<u>39,672</u>
<b>Administration costs</b>		
Salaries, social security, pensions	317,557	389,992
Other pension costs	5,317	45,501
Staff recruitment, training and support	6,296	29,509
Information technology	1,034	1,261
Advertising and marketing	928	1,742
Membership fees	6,911	4,825
Travel	814	713
Bank Charges	72	132
Legal and Professional	12,051	3,958
Sundries	(656)	144
Growth Plan Pension Scheme	-	(16,239)
Irrecoverable VAT	<u>1,762</u>	<u>2,323</u>
	<u>352,086</u>	<u>463,861</u>
<b>Total expenditure on charitable activities</b>	<u><u>444,078</u></u>	<u><u>613,931</u></u>

# Sussex Rural Community Council

(Limited by Guarantee)

## Balance Sheet as at 31 March 2023

	Notes	£	2023 £	£	2022 £
<b>Fixed Assets</b>					
Tangible assets	9		420		638
Investment	10		<u>2</u>		<u>2</u>
			422		640
<b>Current assets</b>					
Debtors	11	72,209		76,636	
Cash balances		<u>1,685,747</u>		<u>1,799,127</u>	
		1,757,956		1,875,763	
<b>Liabilities</b>					
Creditors: amounts falling					
Due in under one year	12	<u>(163,740)</u>		<u>(246,948)</u>	
<b>Net current assets</b>			<u>1,594,216</u>		<u>1,628,815</u>
Total assets less current liabilities			1,594,638		1,629,455
<b>Provisions</b>	19		<u>(7,596)</u>		<u>(11,915)</u>
<b>Net assets</b>			<u><u>1,587,042</u></u>		<u><u>1,617,540</u></u>
<b>The funds of the charity</b>					
Unrestricted funds	15				
- General funds			340,392		387,621
- Designated funds			1,208,000		1,208,000
- Pension Reserve	19		<u>(7,596)</u>		<u>(11,915)</u>
			1,540,796		1,583,706
Restricted funds	16		<u>46,246</u>		<u>33,834</u>
Total charity funds			<u><u>1,587,042</u></u>		<u><u>1,617,540</u></u>

**Sussex Rural Community Council**

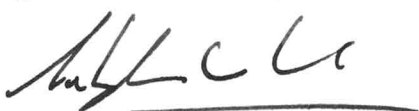
**(Limited by Guarantee)**

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

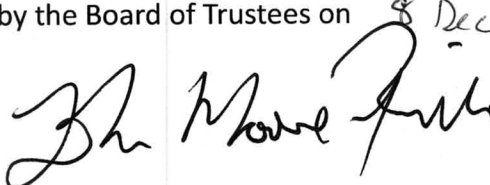
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006;
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board of Trustees on 8 December 2023 and signed on its behalf by:



Alex Ingham Clark  
Chair



John Moore-Bick  
Trustee

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Cash Flow Statement**  
**For the year ended 31 March 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>	<b>21</b>	(138,241)	(73,524)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		24,861	8,345
Purchase of equipment		<u>-</u>	<u>(651)</u>
<b>Net cash provided by investment activities</b>		<u>24,861</u>	<u>7,694</u>
Change in Cash balances in the reporting period		(113,380)	(65,830)
Cash balances at the beginning of the reporting period		<u>1,799,127</u>	<u>1,864,957</u>
<b>Cash balances at the end of the reporting period</b>		<u><u>1,685,747</u></u>	<u><u>1,799,127</u></u>

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

**1. Accounting policies**

**1.1. Basis of preparing the financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in relevant accounting policy notes.

**1.2 Group financial statements**

The Company is exempt from the requirement to prepare consolidated financial Statements by virtue of section 398 of the Companies Act 2006 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.3. Preparation of the accounts on a going concern basis**

The company is dependent on the continued support of grant aiding bodies. The trustees believe that the company will continue to receive this support and, taking into accounts its cash reserves, consider that it is appropriate to prepare the financial statements on the going concern basis.

**1.4 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when:

- the charity is legally entitled to the funds;
- any performance conditions attached to the income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt at the income is considered probable;
- the amount can be reliably measured.

**Donations and legacies**

Grants and donations are recognised as incoming resources in the year in which they are receivable, except as follows:

- When donors specify that grants or donations given to the charity must be used in future accounting periods, the income is deferred to those periods;

## **Sussex Rural Community Council**

**(Limited by Guarantee)**

### **Notes to the Financial Statements**

**For the year ended 31 March 2023**

- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income. The income is deferred and not included in incoming resources until the preconditions for use are met.

#### **Charitable activities**

Income from operational programmes is included in the incoming resources in the period in which the relevant programme takes place.

Project specific funding - when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement. This income is included in incoming resources of restricted funds when receivable.

#### **Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **1.5 Expenditure**

An expenditure is included on an accruals basis inclusive of any VAT which cannot be recovered and is recognised when:

- there is a legal or constructive obligation to make a payment;
- it is probable that settlement will be required;
- the amount of the obligation can be measured reliably.

#### **Charitable activities**

Operational programme costs - where costs are identified directly with specific programmes and allocated to the relevant heading within resources expended.

#### **Support costs**

The administrative and overhead costs associated with running the office from which the company operates as well as governance costs. Support costs are wholly attributable to operational programme costs.

#### **Governance costs**

Costs associated with the constitutional and statutory requirements of the charity.

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

**1.6. Fund accounting**

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
  
- Designated funds - these are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.
  
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**1.7 Tangible fixed assets and depreciation**

Individual fixed assets costing £1,000 or more are capitalised at cost. Depreciation is provided at annual rates calculated to write off the cost less residual value of each asset over its expected useful life. as follows:

Furniture/fixtures/equipment - Straight line basis, the shorter of four years or the duration of the project.

**1.8. Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts.

**1.10 Cash Balances**

Cash balances include cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.12 Pensions**

The company makes defined contribution pension and superannuation payments in relation to certain members of staff in accordance with the terms of their employment contracts. Such payments are charged to the statement of financial activities as they become payable.

**1.13. Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value, and subsequently measured at their settlement value.

**1.14. Significant Accounting Estimates and Judgements**

In determining the carrying amounts of certain assets and liabilities, the charity makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The charity's estimates and assumptions are based on historical experience and expectation of future events and are reviewed annually.

**2. Incoming Resources**

The total incoming resources for the year have been derived from the principal activity undertaken wholly in the UK.

<b>3. Interest receivable</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest	<u>24,861</u>	<u>8,345</u>
<b>4. Net income/(expenditure) for the year is stated after charging:</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	218	455
Audit or Independent examination	<u>6,220</u>	<u>4,000</u>

**5. Trustees' emoluments and reimbursed expenses**

The trustees received no remuneration during the year (2022 - £Nil).

The aggregated amount reimbursed to trustees during the year was £283 (2022 - £298).

## Sussex Rural Community Council

(Limited by Guarantee)

### Notes to the Financial Statements For the year ended 31 March 2023

6. Staff costs and numbers	2023 £	2022 £
<b>Staff costs</b>		
Salaries, social security and pension costs	347,120	469,194
Other pension costs	<u>5,317</u>	<u>29,262</u>
	<u>352,437</u>	<u>498,456</u>

No employee earned more than £60,000 during the year (2022 – £Nil).

The key management personnel of the charity comprise the Trustees and the Management Team. The total employee costs of the key management personnel of the charity were £107,000 (2021 - £93,684).

#### Staff Numbers

The average number of employees (including casual and part time staff) during the year was made up as follows:

	2023 Number	2022 Number
Support /operational programmes	<u>14</u>	<u>14</u>

#### 7. Pension costs

The company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,353 (2022 - £16,239).

#### 8. Corporation taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

**9. Fixed Assets -tangible assets**

	<b>Furniture Fixtures Equipment £</b>	<b>Total  £</b>
<b>Cost</b>		
1 April 2022	8,341	8,341
Additions	<u>-</u>	<u>-</u>
31 March 2023	<u>8,341</u>	<u>8,341</u>
<b>Depreciation</b>		
1 April 2022	7,703	7,703
Charge for year	<u>218</u>	<u>218</u>
31 March 2023	<u>7,921</u>	<u>7,921</u>
<b>Net book values</b>		
31 March 2023	<u><u>420</u></u>	<u><u>420</u></u>
31 March 2022	<u><u>638</u></u>	<u><u>638</u></u>

**10. Fixed Asset Investments**

	<b>Subsidiary Undertakings Shares £</b>	<b>Total  £</b>
<b>Cost</b>		
1 April 2022 and 31 March 2023	<u>2</u>	<u>2</u>
<b>Net book values</b>		
31 March 2023	<u><u>2</u></u>	<u><u>2</u></u>
31 March 2022	<u><u>2</u></u>	<u><u>2</u></u>

The company owns all of the issued share capital of SRCC (Trading) Limited, a company registered in England and Wales, number 03101724. SRCC (Trading) Limited did not trade during the year, and since the year end has been dissolved.

**Sussex Rural Community Council**  
(Limited by Guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

<b>11. Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	59,716	65,866
Other debtors	1,017	1,725
Prepayments	1,062	958
Accrued Income	<u>10,414</u>	<u>8,087</u>
	<u><u>72,209</u></u>	<u><u>76,636</u></u>
<b>12. Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	8,532	8,858
Other taxation and social security	7,870	29,544
Other creditors	5,043	8,915
Accruals	18,795	18,997
Deferred income ( <b>Note13</b> )	<u>123,500</u>	<u>180,634</u>
	<u><u>163,740</u></u>	<u><u>246,948</u></u>
<b>13. Deferred Income</b>		<b>£</b>
Balance at 1 April 2022		180,634
Amount released to incoming resources		(99,134)
Amount deferred in the year		<u>42,000</u>
Balance at 31 March 2023		<u><u>123,500</u></u>

Deferred income relates to grants and other income received in advance.

**14. Limited by guarantee**

Sussex Rural Community Council is a private company, limited by guarantee, registered in England and Wales without a share capital. Each member guarantees to contribute £1 to the company in the event of its winding up. At 31 March 2023 there were 71 members.

**Sussex Rural Community Council**

**(Limited by Guarantee)**

**Notes to the Financial Statements  
For the year ended 31 March 2023**

<b>15. Unrestricted funds</b>	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Pension</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated funds:					
Development Fund	534,984	-	-	-	534,984
Relocation Fund	500,000	-	-	-	500,000
Sussex Community Housing Hub	92,016	-	-	-	92,016
IT Rolling Replacement Fund	18,000	-	-	-	18,000
Recruitment Fund	63,000	-	-	-	63,000
Total designated fund	1,208,000	-	-	-	1,208,000
General fund	387,621	344,409	(387,319)	(4,319)	340,392
Pension scheme deficit	(11,915)	-	-	4,319	(7,596)
	<u>1,583,706</u>	<u>344,409</u>	<u>(387,319)</u>	<u>-</u>	<u>1,540,796</u>

**Sussex Rural Community Council**  
(Limited by Guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

<b>16. Restricted funds</b>	<b>Brought forward</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Objectives	<u>33,834</u>	<u>68,968</u>	<u>(56,556)</u>	<u>46,246</u>

**Objectives**

These funds are for three main objectives:

1. Tackling Rural Disadvantage
2. Building Community Capacity and Resilience
3. Rural Voice

**17. Analysis of net assets between funds**

	<b>General Funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	420	-	-	420
Investments	2	-	-	2
Net current assets	339,970	1,208,000	46,246	1,594,216
Pension Reserve	<u>(7,596)</u>	<u>-</u>	<u>-</u>	<u>(7,596)</u>
	<u>332,796</u>	<u>1,208,000</u>	<u>46,246</u>	<u>1,587,042</u>

**18. Financial commitments**

At 31 March 2023 the company had total future commitments under non-cancellable operating leases as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Due:		
Within one year	<u>6,700</u>	<u>17,962</u>

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

**19. Pension scheme**

The company is a participating employer in the Growth Plan operated by the Pensions Trust to provide pension benefits for members of staff. The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows: From 1 April 2022 to 31 January 2025: £3,312,000 per annum.

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows: From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1<sup>st</sup> April).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The unwinding of the discount rate is recognised as a finance cost.

**PRESENT VALUES OF PROVISION**

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	<b>Period Ending</b> 31 March 2023 (£s)	<b>Period Ending</b> 31 March 2022 (£s)
Provision at start of period	11,915	64,170
Unwinding of the discount factor (interest expense) *	225	370
Deficit contribution paid	(4,341)	(16,239)
Remeasurements - impact of any change in assumptions*	(203)	(274)
Remeasurements - amendments to the contribution schedule	-	(36,112)
Provision at end of period	7,596	11,915
Costs recognised in income and expenditure account	*	*

**20. Related party transactions**

During the year the company had no related party transactions that require disclosure.

**Sussex Rural Community Council**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

<b>21. Reconciliation of net income (expenditure) to net cashflow from operating activities</b>	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Net income (expenditure) for the reporting period (as per the statement of financial activities)	(30,500)	(160,593)
Depreciation	218	455
Dividends and interest	(24,861)	(8,345)
Decrease in stocks	-	1,919
(Increase) decrease in debtors	4,427	(27,791)
(Decrease) increase in provisions	(4,319)	(17,345)
(Decrease) increase in creditors	<u>(83,206)</u>	<u>138,176</u>
Net cash outflow from operating activities	<u><u>(138,241)</u></u>	<u><u>(73,524)</u></u>

**22. Prior year adjustment**

In reviewing the result for the year to 31 March 2023, errors were discovered in the way Accrued Income and Deferred Income had been analysed in the previous year's accounts. As a result, we have had to restate the results for the year to 31 March 2022, for which the loss was understated by some £108,000.

An internal review was prepared, explaining how the errors arose, and a copy of the review was forwarded to the Independent Examiner who had originally reported on the accounts, for their comment. No comments on the review have been received from the former Independent Examiner who resigned from that position a week later.

The Trustees have now appointed Knill James, Chartered Accountants of Lewes, East Sussex, to review the restated accounts to 31 March 2022 as Independent Examiner, and were appointed by the Trustees to act as auditor for the financial statements for the year to 31 March 2023.

The members of the company will be invited to approve both the restated accounts for the year to 31 March 2022 as well as the audited accounts to 31 March 2023 at the Annual General Meeting.